



HEAD OFFICE

(A ZURICH COMPANY)

TORONTO, CANADA

FEB 20 1962

62<sup>nd</sup> Annual Report

for the Year 1961

# SIXTY-SECOND ANNUAL REPORT — 1961

Your directors have pleasure in presenting the annual report of the Company for the year ended December 31, 1961.

## INSURANCES

New business put in force in 1961 amounted to \$30,871,463. At December 31, 1961 the total amount of business in force was \$234,358,708. In addition there were in force annuity contracts providing total annual payments to annuitants of \$31,786 as well as group annuity contracts providing for annual payments of \$14,180.

## INCOME

Total income for the year was \$7,270,669 of which \$4,682,383 was premium income and 2,414,368 was investment income after deducting investment expenses, including taxes. The net earned interest rate was 5.44%.

## BENEFIT PAYMENTS

Payments totalling \$3,039,153 were made to policyholders and beneficiaries, including death and disability claims, matured endowments, annuities, dividends and surrender values.

## ACTUARIAL RESERVE

The actuarial reserve held by the Company to meet the liabilities under its insurance and annuity contracts was increased by \$1,624,154 to \$37,890,092.

## ASSETS

The total assets of the Company increased during the year by \$2,500,168 to \$47,049,811. Invested assets are shown at cost or amortized value less amounts written off from time to time, and the aggregate value does not exceed the value prescribed by The Canadian and British Insurance Companies Act, 1932.

## SURPLUS

The unallotted general surplus was increased by \$434,167 to \$3,222,898.

The report of the Company's auditors, Sherwood C. Walters and Co., is appended to the balance sheet.

J. H. BURGAR, President

## 1961 TABLE OF INVESTMENTS

	%
Bonds and debentures .....	58.97
Preferred stocks .....	.72
Common stock .....	3.92
First mortgages on real estate .....	28.09
Real estate .....	.28
Loans on policies .....	5.80
Cash in banks and on hand .....	.75
Other assets .....	1.47
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	100.00

## THE COMPANY'S GROWTH IN BUSINESS AND STRENGTH

	1946	1951	1956	1961
BUSINESS IN FORCE .....	\$78,425,339	\$119,655,111	\$162,374,946	\$234,358,708
ASSETS .....	16,079,897	24,225,802	35,343,505	47,049,811
SURPLUS AND SPECIAL RESERVES .....	637,136	1,082,424	2,633,659	4,422,898
TOTAL BENEFITS PAID SINCE ORGANIZATION .....	18,995,199	24,197,519	31,876,311	44,396,585

**BALANCE SHEET, DECEMBER 31, 1961.**

**INVESTED ASSETS**

<b>ASSETS</b>	
Bonds and debentures	
Government	\$12,152,093
Municipality	7,461,275
Public utility	3,348,038
Other corporation	4,782,720
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Stocks	
Preferred	\$ 338,090
Common	1,843,528
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First mortgages on real estate	13,217,284
Real estate held for the production of income	133,941
Loans on policies	2,726,811
Cash on hand and in banks	352,604
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<b>OTHER ASSETS</b>	\$46,356,364
Investment income, due and accrued	\$ 478,620
Net outstanding premiums	206,648
Sundry	8,179
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<b>NOTE:</b> Invested assets are shown at cost or amortized value, less amounts written off from time to time, and the aggregate value does not exceed the value prescribed under The Canadian and British Insurance Companies Act 1932.	693,447

**LIABILITIES**

**POLICY RESERVE**

Actuarial reserve for insurance and annuity contracts	\$37,890,092
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**AMOUNTS ON DEPOSIT**

Including policy proceeds, dividends and other amounts	2,140,000
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**OTHER OBLIGATIONS TO POLICYHOLDERS AND BENEFICIARIES**

Benefits in course of payment and provision for unreported death claims	\$ 401,377
Premiums received in advance	11,709
Dividends to policyholders due but unpaid	8,382

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421,468

**PROVISIONS FOR DIVIDENDS TO POLICYHOLDERS**

Dividends to policyholders payable in 1962	\$ 405,223
Other accrued profits to policyholders	663,530

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1,068,753

**OTHER LIABILITIES**

Commissions due and accrued	\$ 30,135
General and investment expense due and accrued	40,614
Taxes on premiums and income	47,830
Sundry liabilities	41,313

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159,892

**STAFF PENSION AND INSURANCE FUNDS**

**RETIRING ALLOWANCE AND AGENTS' PENSION FUND**

**ADDITIONAL PROTECTION FOR POLICYHOLDERS AND BENEFICIARIES**

Reserve for general contingencies	\$ 200,000
Investment reserve	1,000,000
General surplus	3,222,898
Capital stock paid up	\$200,000
Shareholders' surplus	51,016

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251,016 4,673,914

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\$47,049,811

Approved on behalf of the Board.

JOHN H. BURGAR, Director

HERBERT PILLING, Director

**CAPITAL STOCK**

Authorized capital - 25,000 shares of \$20.00 each

Issued and fully paid - 10,000 shares

**STATEMENT OF REVENUE AND GENERAL SURPLUS**

for the year ended December 31, 1961

**REVENUE**

Premiums and annuity considerations	\$ 4,682,383
Investment income (less \$85,776 expenses)	2,414,368
Considerations for settlement annuities	34,361
Contributions and grants to staff pension and insurance funds	108,616
Net profit on sale of securities	30,941

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\$ 7,270,669

**AMOUNTS PAID OUT OR SET ASIDE**

For policyholders and beneficiaries:

Death and disability benefits	\$ 967,185
Matured endowments and cash surrenders	1,684,495
Annuities	26,361
Dividends	400,657
Increase in actuarial reserve	1,624,154

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\$ 4,702,852

Payments under settlement annuities and interest on amounts left on deposit

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128,554

Payments from staff pension, insurance and retiring allowance and agents' pension funds and increase therein

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135,231

**EXPENSES:**

Currency Exchange	\$ 569
Commissions	336,252
Head Office, agency and other expenses	1,337,886
Directors' fees	8,904
Premium taxes	79,982
Other taxes, licences and fees	22,762

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1,786,355 6,752,992

**TRANSFERRED TO GENERAL SURPLUS**

General surplus December 31, 1960	\$ 2,788,731
Amount written off book value of securities	30,941

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2,757,790

Transferred to shareholders' surplus	\$ 3,275,467
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52,569

**GENERAL SURPLUS, DECEMBER 31, 1961**

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\$ 3,222,898

**STATEMENT OF SHAREHOLDERS' SURPLUS**

for the year ended December 31, 1961

SHAREHOLDERS' SURPLUS, DECEMBER 31, 1960	\$ 46,047
Transferred from general surplus	52,569
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Provision for taxes on income	\$ 21,600
Dividends declared and paid in 1961	26,000

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\$ 98,616

Shareholders' SURPLUS, DECEMBER 31, 1961	\$ 51,016
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\$ 51,016

**AUDITORS' REPORT TO THE POLICYHOLDERS AND SHAREHOLDERS**

We have examined the balance sheet of The Continental Life Insurance Company as at December 31, 1961 and the statements of revenue, general surplus and shareholders' surplus for the year ended on that date. We have obtained all the information and explanations required.

Our examination included a general review of the accounting procedures of the Company and tests were made of the accounting records by the examination of supporting evidence to the extent we considered necessary under the circumstances. We have accepted the certificate of the Company's Actuary as to the amount and sufficiency of the Staff Pension Fund, the policy reserve and certain other obligations to the policyholders and beneficiaries.

In our opinion, the above balance sheet and accompanying statements of revenue, general surplus and shareholders' surplus present fairly the financial position of The Continental Life Insurance Company as at December 31, 1961, and the results of its operations for the year ended on that date according to the best of our information, the explanations given to us and as shown by the books of the Company.

SHERWOOD C. WALTERS & CO.,

Certified Public Accountants.

Toronto, Canada, January 15, 1962

## **BOARD OF DIRECTORS AND OFFICERS**

FEBRUARY 1, 1962

JAMES A. NORTHEY, Toronto

**HERBERT PILLING, Toronto**

J. HOWARD KELLY, Q.C., Calgary

KENNETH J. LITSTER, Toronto

A. S. MATHERS, B.A.Sc., Toronto

**JOHN H. BURGAR, Toronto**

**JOHN W. MEDLAND, Toronto**

NEVILLE PILLING, Chicago

**W. LEO KNOWLTON, O.C., Toronto**

GERALD G. RYAN, O.B.E., Montreal

HON. FRANK J. HUGHES, Q.C., Toronto

C. A. BAINES, Toronto

JAMES A. NORTHEY, *Chairman of the Board*

## **HERBERT PILLING, President**

## JAMES HUNTER F.F.A., F.S.A., Vice-President

GEORGE B. WALLACE, B.A., F.S.A., Associate Actuary

S. J. NEWTON MAGWOOD, M.D., F.R.C.S. (C), Medical Director

**GEORGE P. WINSHIP, Secretary and Treasurer**

DAVID A. LOGIE, M.A., F.F.A., A.S.A., *Actuary*

VICTOR B. HANKEY, M.A., Assistant Secretary